HOUSE OF
ENTREPRENEURSHIP
powered by the Luxembourg Chamber of Commerce

EN

The business starter journey

IN LUXEMBOURG

1

2

3

4

CHECKLIST

This check-list is applicable to commercial professions in general.
Other qualifications, guarantees or insurance may be required for specifically regulated professions. To double check which elements are needed for your business, please contact us via **info@houseofentrepreneurship.lu** or attend our workshop "How to start your business in Luxembourg?".

A. RESIDENT FOR MORE THAN 10 YEARS

Main form

- Completed form relating to the business permit

Proof of integrity

- copy of a recent criminal record in Luxembourg (record no. 3)
- completed "sworn declaration" form[1]

Proof of qualifications

- documentation demonstrating qualifications for all regulated activities

Proof of fixed premises

- either a copy of the lease agreement, or equivalent, or a residence certificate (as the case may be)

Other attachments

- copy of your identity card or residence permit[2]
- proof of payment of the administrative fee of 50€ per application[3]
- articles of association if available, if not, draft articles of incorporation or draft statutes (companies only)[4]

B. RESIDENT FOR LESS THAN 10 YEARS OR NON-RESIDENT

Main form

- Completed form relating to the business permit

Proof of integrity

- copy/copies of a recent criminal record(s) in the country/countries of residence for the last 10 years
- notarial declaration of non-bankruptcy
- completed "sworn declaration" form[1]

Proof of qualifications

- documentation demonstrating qualifications for all regulated activities

Proof of fixed premises

- either a copy of the lease agreement, or equivalent, or a residence certificate (as the case may be)

Other attachments

- copy of your identity card or residence permit[2]
- proof of payment of the administrative fee of 50€ per application[3]
- articles of association if available, if not, draft articles of incorporation or draft statutes (companies only)[4]

[1] The form should be downloaded and filled out separately for online applications. However, if you are submitting a paper application, this document is already included in the main application form.
[2] Any third-country citizens (from outside the EU) who would like to settle in Luxembourg for more than three months to operate a self-employed activity need to follow a specific procedure, unless they are a family member of an EU citizen or deemed a resident of Luxembourg ; have a long-term residence status ; or have international protection in Luxembourg. Contact organisation : Immigration Department - Foreign Services.
[3] Transfer 50€ to the account LU76 0019 5955 4404 7000, BIC code: BCEELULL of the Diekirch Revenue Office, with the following communication: "business permit".
[4] Most companies, except the simplified limited liability company (Sàrl-s), must then be constituted before a notary.

OVERVIEW

The overall timeframe for obtaining a business permit may vary depending on the chosen legal form and nature of the concerned activity. Indeed, additional procedures may be involved.

Business permit
Ministry of the Economy

+/- 1 to 4 weeks *

Obtaining the final business permit after submission of the complete application to the Ministry of the Economy (See check-list opposite)

1

Registration
LBR

24 hours *

Registering the company with the Luxembourg Business Registers (LBR) depending on the nature of the activity and registering beneficial owners
www.lbr.lu

2

Registration
CCSS

+/- 1 week *

Obtaining a letter confirming the affiliation to the Joint Social Security Centre further to the registration
www.ccss.public.lu

3

Registration
AED

+/- 2 to 4 weeks *

Filing the initial declaration with the Duties, Estates and VAT Authority (Indirect tax authority - AED) and opting for the standard or exemption scheme
pfi.public.lu

4

* Approximate time period given for reference only

1 BUSINESS PERMIT

LAW OF JULY 26, 2023*

Commercial & industrial activities

Examples:
Trader, Travel agent, restaurateur-coffee owner, Real estate agent, Int. carrier

Liberal professions

Examples:
Architect, Consulting-engineer, Chartered accountant (CPA)

Artisanal activities

Examples:
Baker, Hairdresser, Caterer, Beautician

LEGAL REQUIREMENTS TO DO BUSINESS IN LUXEMBOURG

- **Professional integrity**
- **Professional qualification** in line with the planned activity
- **Physical premises in Luxembourg**
- Effective and permanent **management** of the business **by the business permit holder**
- **Compliance with tax and business obligations**

FOCUS ON PROFESSIONAL INTEGRITY

- **Recent criminal records** of all countries where applicant has lived in the last 10 years
- **Notarial declaration of non-bankruptcy** if residing in Luxembourg **for less than 10 years** or for non-residents

ABOUT FIXED PREMISES AND EFFECTIVE MANAGEMENT

- **Physical installation in Luxembourg** that includes an infrastructure suitable for the nature and scale of the concerned activity
- **The business permit holder personally and regularly ensure the day-to-day management** and direction of the business
- **The business permit holder must be connected** to the business

* Amended Law of September 2, 2011 regulating access to the professions of craftsman, trader, industrialist and certain liberal professions.

2 LEGAL FORM

COMPANY OR SELF-EMPLOYED?

Preliminary thougths

- **Which legal form is better** suited to my situation (sole proprietorship vs business partnership)?
- **What about taxation** according to the chosen legal form?
- **Do I have the necessary managerial skills** to run a business?
- **What are my responsibilities and legal obligations** as an entrepreneur?

	Sole proprietorship (self-employed)	Limited liability company	Simplified limited liability company
Incorporation	/	Notarial deed	Notarial or private deed
Legal personality	No legal personality Only the entrepreneur has the legal personality as a natural person	Distinct legal personality has a legal form distinct from that of the partners in it Personnalité juridique distincte	
Minimum capital required	/	€ 12,000	From € 1 and € 11,999
Legal obligation towards the RCSL	Publication of the annual declaration if annual turnover exceeds € 100,000	Annual accounts registered with the Luxembourg Business Registers	
Taxation	IR MBT (commercial activity)	CIT MBT NWT	CIT MBT NWT

IR : Income tax
CIT / IRC : Corporate income tax
MBT / ICC : Municipal business tax
NWT / IF : Minimum net wealth tax

3 REGISTERING WITH THE AUTHORITIES

ACTIVATING THE BUSINESS PERMIT

LUXEMBOURG BUSINESS REGISTERS

Luxembourg Business Registers

— Registration of any activity governed by the law of 19 December 2002 (online filing)

— Registration of beneficial owners with RBE

CCSS
CENTRE COMMUN DE LA SÉCURITÉ SOCIALE

Joint Social Security Center (CCSS)

— Affiliation of the self-employed person or director of the company

— Employer's registration and affiliation of salaried workers (if hiring employees)

LE GOUVERNEMENT DU GRAND-DUCHÉ DE LUXEMBOURG
Administration de l'enregistrement, des domaines et de la TVA

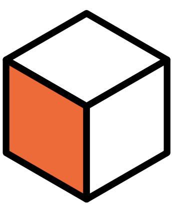
Duties, Estates and VAT Authority (Indirect tax authority)

— Initial declaration for VAT

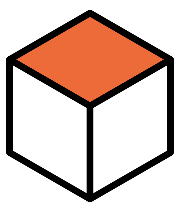
— Choice of the standard or exemption scheme

SOCIAL PROTECTION

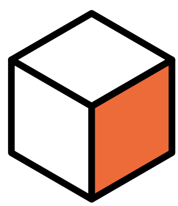
General framework



Monthly contribution of 25% out of the Luxembourgish minimum social salary



Adjustment of the contribution base possible if revenues differ from the standard basis



Exemption possible if revenues are lower than 1/3 of the minimum social salary

Salaried and **self-employed workers** are covered in the event of: illness, work-related accidents or illnesses, maternity, pension insurance, disability and dependency.

4 TAXATION IN LUXEMBOURG

SELF-EMPLOYED OR COMPANY?

Company = moral person

- Corporate Income Tax (CIT/IRC): 16,05% on profit according to commercial balance sheet if profit <€ 175,000/year (increased rate to 18,19% if profit >€ 175,000/year) (contribution to employment fund included)
- Municipal Business Tax (MBT/ICC): between 6% and 12% depending on the municipality (starting at € 17,500)
- Minimum Net Wealth Tax (Min NWT/IFM): progressive minimum income tax, depending on total assets and structure of balance sheet € 535 to € 32,100

Self-employed = natural person

- Income Tax (IR): from 0% to 42%
- Municipal Business Tax (MBT / ICC) between 6% and 12%, depending on the municipality (Starting at € 40.000) Not applicable to liberal professions

Topics covered by the House of Entrepreneurship and its partners:

- Personalised advice according to your needs throughout your entrepreneurial journey
- Free workshops on various topics: starting a business, development, financing and digitalisation
- Access to funding & state aids
- Networking & meet ups with experts

Useful resources

- www.guichet.lu
- www.cc.lu
- www.ccss.public.lu
- pfi.public.lu
- www.impotsdirects.public.lu
- www.lbr.lu

HOUSE OF
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https://www.houseofentrepreneurship.lu/en/contact-us

Initiated by:

CHAMBER OF COMMERCE LUXEMBOURG
POWERING BUSINESS

LE GOUVERNEMENT
DU GRAND-DUCHÉ DE LUXEMBOURG
Ministère de l'Économie

in collaboration with more than 30 public actors.
For more information: www.houseofentrepreneurship.lu/en/partner

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